

Integrated Communications Department

Tel: +380 (44) 586 3795

press@naftogaz.com

www.naftogaz.com

www.naftogaz-europe.com

Press release

Naftogaz Welcomes Further Expansion of U.S. Sanctions Against Nord Stream 2

20 October 2020, Washington D.C. – Naftogaz welcomes the decision of the United States to broaden its sanctions against Nord Stream 2. The State Department <u>issued new sanctions guidance</u> today targeting additional actors that aid Russian pipe-laying vessels for Nord Stream 2.

According to the guidance, mandatory U.S. sanctions against Nord Stream 2 "cover foreign firms or persons who provide certain services or goods that are necessary or essential to the provision or operation of a vessel engaged in the process of pipe-laying for such projects. Such activities subject to sanctions pursuant to PEESA [the Protecting Europe's Energy Security Act] or other authorities may include, but are not limited to, providing services or facilities for upgrades or installation of equipment for those vessels, or funding for upgrades or installation of equipment for those vessels."

This makes clear that the U.S. will sanction all companies that provide services for or seek to upgrade the capabilities of the Russian pipe-laying vessel Akademik Cherskiy or any other Russian pipe-laying vessel for the purposes of Nord Stream 2 construction.

Moreover, as part of the annual <u>U.S. defense budget bill</u>, the U.S. Congress is <u>expected to pass additional sanctions</u> against companies supporting Nord Stream 2 construction by the end of the year. These sanctions will explicitly target the provision of insurance services to Russian pipe-laying vessels, operational certification of Nord Stream 2, and various forms of facilitation of pipe-laying activities in support of pipe installation.

Naftogaz will continue work closely with its partners in Washington, D.C., Brussels, Berlin, and elsewhere to ensure that Nord Stream 2 is never completed. Together we can secure the collective security of the transatlantic community.

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NJSC Naftogaz of Ukraine